



City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

MEMORANDUM

To: Mayor Paxton and Assembly Members

Thru: John Leach, Municipal Administrator

From: Stan Eliason, Harbormaster

Date: April 22, 2020

Subject: CBS Land Lease to Maris, Inc.

Background

Maris Inc. will be completing repairs to the Coast Guard Sitka Dock. This activity will commence in May with an expected completion date in August or earlier. Maris Inc. has requested to lease 600 square feet of CBS property at the RV lot to store materials. The RV lot will be available for the duration of this project.

Analysis

Our Assessing Department completed a valuation of the property to determine a lease value. Using the surrounding land values, a 600-sf. vacant lot would have a real market value (RMV) of \$12,000. $\$12,000 \times 0.09\% = \$1,080 \div 12 = \$90.00$ per month.

Fiscal Note

The lease will generate approximately \$360.00 for four months of usage. In comparison, the daily fee for a RV is \$35.00 per day. The fee includes water, electric, sewage disposal and garbage disposal.

Although a day-by-day comparison of RV usage value to lease value is heavily skewed in favor of RV usage ($\$35 \times 30 \times 4 = \$4,200$ for 4 months), the space being leased is typically empty. Total RV usage revenue over the last three years is \$3,342.20, \$5,410.07, and \$1,850.88 for 2017 - 2019.

It is highly unlikely that we will see any RV usage this year due to the COVID-19 pandemic and the lack of AMHS service.

Recommendation

Approve the month-to-month lease of CBS property to Maris, Inc.